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Attorney for Defendant  
BERNADETTE ESCUE

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

UNITED STATES OF AMERICA,	) No. CR 07-00610 JF
Plaintiff,	)
v.	) <b>DECLARATION OF DIXON GRIER, C.P.A.,</b>
BERNADETTE ESCUE,	) <b>RE: RESTITUTION CLAIM OF HURON</b>
Defendant.	) <b>CONSULTING GROUP</b>
	)
	)
	) Date: September 3, 2008
	) Time: 9:00 a.m.

I, Dixon Grier, declare as follows:

1. I reside in the County of Contra Costa, in the state of California. I am a certified public accountant and a partner at Matson, Driscoll & Damico ("MDD"). The firm is a forensic Certified Public Accounting Limited Liability Partnership in the United States and also has offices in Canada, the United Kingdom and Singapore. MDD focuses their practice in measuring economic damages and value as a result of a particular event. I have been with the firm since October 1977 and have worked on thousands of measurements of economic losses since beginning my association with MDD. Part of that work involved measuring employee fidelity losses, employee theft losses, and wrongful termination claims. My curriculum vitae is included with this declaration as Exhibit A. I have personal knowledge of the facts set forth below and could and would competently testify thereto if called as a witness.

2. Counsel Mark R. Vermeulen retained Matson, Driscoll & Damico, including myself, to assist in determining the reasonableness of the billings of Huron Consulting Group with regard to the determination of losses suffered by Network Appliance, Inc. due to the acts of Ms. Bernadette Escue which resulted in the prosecution and conviction in this case.

1           3.       I have reviewed the following documents: The report (labeled "Draft") prepared by  
2 Huron Consulting Group regarding Network Appliance, Inc. and the investigation of Bernadette Escue;  
3 the FBI Prosecutive Report of Investigation Concerning Bernadette Escue and Network Appliance, Inc.  
4 (undated); billing and payment correspondence concerning Network Appliance, Inc., Huron Consulting  
5 Group and Chubb Group of Insurance Companies which was provided to counsel by Probation Officer  
6 Lori Timmons via letter dated May 27, 2008; Bates pages HCG-0001 through HCG-0080 (along with  
7 the cover letters from counsel D. Anthony West (counsel for Huron Consulting Group) that  
8 accompanied these documents, which letters are dated July 28, 2008 and August 12, 2008).

9           4.       It is standard practice for public accounting firms, law firms, and consulting firms to bill  
10 time by the hour, or an increment thereof. This was so in 2003/2004, the period during which Huron  
11 Consulting Group conducted its work in connection with this matter. In order to properly bill a client,  
12 there must be a record of who was working on the file, the time spent, and a description of the activities  
being billed.

13           5.       In 2003/2004, computerized billing programs designed specifically for consulting firms  
14 were commonly utilized to record and subsequently provide billings related to time worked on specific  
15 jobs. In addition to recording the name of the employee and the hours worked, the employee utilizes an  
16 "audit code" and/or a detailed description to identify the work that was performed.

17           6.       Based on the documentation provided, it appears a Windows-based program for tracking  
18 billable and non-billable time was utilized by Huron Consulting Group. The reports provided document  
19 the employee number, employee name, engagement number, date worked and number of hours worked.  
20 It would be reasonable to assume the program utilized by Huron Consulting Group also recorded the  
21 audit code and/or description of the work performed.

22           7.       It is standard practice in our firm and in the industry to retain these detailed billing  
23 records for a period of at least seven years, as they are an integral part of the file that is maintained on  
24 each job. As the report written by Huron Consulting Group was prepared within the last five years, it is  
25 reasonable to assume they have or should have billing detail regarding hours worked and a description  
of the work performed for each hour.

26           8.       I have performed in excess of 20 analyses of employee dishonesty / fidelity losses. The  
27 majority of these billings for my and my firm's work are in the range from \$5,000 to \$15,000. In most  
28 instances these billings relate to evaluations of employee dishonesty / fidelity for which we measured  
29 losses exceeding \$100,000, and for which the time periods of employee dishonesty exceeded a year, and  
30 often were for 2 or 3 years.

